



School Handbook

A Guide to the Education Savings Account Program

Tennessee Department of Education | 2022-23 School Year



Table of Contents

Education Savings Account Program Overview	4
Important Dates	4
Contact Information	4
School Eligibility	5
Student Eligibility and Funding	6
Terms of the ESA	7
ESA Use of Funds	8
Application and Acceptance for School Participation	10
School Application to Participate in the ESA Program	10
Application Approval or Denial	11
Appealing a School Application Denial	12
Student Applications and Enrollment	13
Participating School Obligations and Responsibilities	14
Academic Accountability	14
Annual Testing	14
Special Education Services	15
Non-discrimination Certification	15
School Employees	15
Payment Management and Financial Obligations	16
Notice of Student Withdrawal	18
Annual Reviews	18
Annual Graduation and Completion Rates	18
Program Renewal	19
Program Suspension	19
Appealing a School Application Denial	20
Additional Questions	21
How many ESAs are available?	21

Can a family use an ESA to attend a private school outside of their county of residence? 21

Does the school's admission criteria remain uncompromised if the school participates in the ESA Program? 21

Is a participating school obligated to accept a participating student for a second year if he or she is not thriving in the school environment?..... 21

Is it possible a participating student may not qualify for an ESA in consecutive years? 21

How frequently must the school complete fingerprinting of employees? 21

Can the participating school require the account holder to purchase tuition insurance?..... 21

Can a participating student return to a public school? 21

Education Savings Account Program Overview

In spring 2019, the Tennessee General Assembly passed, and Governor Lee signed Public Chapter 506. This law creates the Tennessee Education Savings Account (ESA) Program.

The ESA Program allows eligible students who are zoned for a school in Memphis-Shelby County Schools, Metro Nashville Public Schools, or a school that was in the Achievement School District (ASD) on May 24, 2019 to use state and local money toward education expenses, including tuition and/or fees at approved private schools.

The ESA Program will begin in the 2022-23 school year. This guide provides information to schools participating in the ESA Program. Account holders can also find information online. ESA account holders are students (if age 18 or older) or the participating student's legal parent or guardian.

A frequently asked questions document for schools is available online at esa.tnedu.gov. Further information for participating schools about the **responsibilities of participating account holders** is also available. Visit esa.tnedu.gov to locate the Family Handbook.

Important Dates



- A list of important dates will be posted on the ESA Website at esa.tnedu.gov.

Contact Information



The department can answer further questions regarding the Education Savings Account Program. See below for specific contact information:

- Email: ESA.Questions@tn.gov
- Phone: 615-741-9360

School Eligibility

Category I, II, or III private schools may apply to TDOE to become a participating school. A list of categories and definitions can be found [here](#).

- Category I: Schools approved by the department.
- Category II: Schools approved by a private school accrediting agency which has been approved by the Tennessee State Board of Education (SBE).
- Category III: Schools that are regionally accredited as identified by the SBE.

Currently Approved Agencies for Accrediting Category II Schools

Association of Christian Schools International (ACSI)	Southern Union Conference of the Seventh Day Adventist Church (SDA)
Association of Classical & Christian Schools, Inc.	Kentucky-Tennessee Conference (SDA)
Catholic Diocese of Nashville (CDN)	Georgia-Cumberland Conference (SDA)
Christian Schools International Accreditation Services	South Central Conference (SDA)
Mississippi Private School Association (MPSA)	Tennessee Association of Christian Schools (TACS)
National Lutheran School Accreditation	Tennessee Association of Non-Public Academic Schools (TANAS)

Currently Approved Agencies for Accrediting Category III Schools

Accrediting Commission for Schools Western Association of Schools and Colleges (ACS WASC)	National Council for Private School Accreditation (NCPSA)
Cognia (formerly AdvancED)	New England Association of Schools and Colleges (NEASC)
Middle States Association Commissions on Elementary and Secondary Schools (MSA CESS)	Northwest Accreditation Commission (NWAC)
Middle States Association of Colleges and Schools (MSA)	Southern Association of Independent Schools (SAIS)
Middle States Commission on Elementary Schools (MSCES)	Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS CASI)
Middle States Commission on Secondary School (MSCSS)	Tennessee Association of Independent Schools (TAIS)
National Association of Independent Schools (NAIS)	

Student Eligibility and Funding

Students must meet the eligibility requirements below in order to participate in the ESA Program.

Student Eligibility	
• Tennessee resident entering kindergarten through grade 12	
• Meets <i>one</i> of the following requirements: <ul style="list-style-type: none"> ○ Previously enrolled in and attended a Tennessee public school for one full school year immediately before the school year for which the student receives the ESA ○ Eligible for the first time to enroll in a Tennessee public school 	
• Zoned to attend a school in Memphis-Shelby County Schools, Metro Nashville Public Schools, or a school that was in the Achievement School District on May 24, 2019	
• Member of a household with an annual income for the previous year that does not exceed twice the federal income eligibility guidelines for free lunch (see abridged chart below)	
<p>Note: Students identified as “at-risk” as defined in state law [Tenn. Code Ann. § 49-3-307(a)(6)] will automatically meet the income requirement for eligibility. “At-risk” is defined as children who are homeless or from households that receive benefits under the Temporary Assistance for Needy Families (TANF) Program.</p>	

Income Chart	
Household Size	Twice the Federal Free Lunch Income Guidelines 22-23
2	\$47,606
3	\$59,878
4	\$72,150
5	\$84,422
6	\$96,694

Terms of the ESA

A participating student is eligible to remain in the ESA Program until the student:

- Enrolls in a public school and attends one day in a public school)
- Enrolls in a Category IV or V private school or a private school not approved under the rules of the State Board of Education (SBE)
- Is no longer a resident of the local school district in which the student lived when the student began participating in the ESA Program (*Account holders must reapply to the ESA Program each year and verify their home address and income.*)
- Is suspended or terminated from the ESA Program
- Graduates or withdraws from high school (Certificates of attendance do not equal graduation from high school for the purpose of the ESA Program. In other words, the student may continue in the Program until he or she receives a high school diploma or receives a passing score on all subtests of the GED or HiSET.)
- Reaches 22 years of age (The student may complete the school year in which he or she reaches the age of 22, as long as he or she will not be enrolled in the Program past Aug. 15 of the next school year.)
- Fails to verify (annually) that household income meets the ESA program requirements

Note: *A participating student may voluntarily withdraw from the program at any time. If a participating student withdraws, the participating school must notify the department within five business days of withdrawal notification using the online form found [here](#).*

ESA Allocations and Use of Funds

Determination of Allocations

The maximum annual amount a participating student is entitled to under the ESA program shall be equal to the amount representing per-pupil state and local funds generated and required through the Basic Education Program ("BEP") for the LEA (Local Education Agency) where the student resides, or the statewide per pupil average of required state and local BEP funds, whichever amount is less, according to Tenn. Code Ann. § 49-6-2605 and State Board of Education Rule 0520-01-16-.04(7).

Financial Accountability

Account Holders shall obtain pre-approval for tuition and fees, computer hardware or other technological devices, tutoring services, educational therapy services, summer education programs and specialized afterschool education programs, and any other expenses identified by the Department, according to State Board of Education Rule 0520-01-16-.05(2). If pre-approval is not obtained, the expense shall be deemed an unapproved expenditure. An Account Holder may request pre-approval by completing and submitting a pre-approval form in accordance with procedures developed by the Department. Forms for pre-approval and reimbursement are available on the ESA website at esa.tnedu.gov.

The Agreement and any additional information required by TDOE shall be submitted to and received by the deadlines set by TDOE before the first ESA payment is disbursed.

The account holder shall submit expense reports including invoices and receipts for all ESA funds expended in accordance with procedures set by TDOE before ESA payments are disbursed.

Funds in an ESA may be used only for educational purposes.

These are allowable use of funds for participating schools:

- Tuition or fees at a participating school (*ESA funds may not be used for tuition at a non-participating school*)
- Required school uniforms at a participating school
- Required textbooks at a participating school
- Tuition and fees for approved summer education programs and specialized after-school education programs
- Tutoring services provided by an individual who meets department requirements
- Textbooks required by an eligible postsecondary institution
- Transportation to and from a participating school or education provider

- Fees for early postsecondary opportunity courses, related exams, or exams related to college admission
- Educational therapies or services for participating students provided by a department-approved therapist
- Computer hardware, technological devices, or other department-approved technology fees *(This is applicable only if the technology is used for educational needs, is purchased at or below fair market value, and is purchased through a participating school, private school, or provider.)*
- ESA management fees provided by a private or non-profit financial management organization approved by TDOE, not to exceed 2% of the ESA funding in a fiscal year.

Usage of Funds in a non-participating Category I, II or III school

These are allowable use of funds for non-participating schools:

- Tutoring services provided by an individual who meets department requirements
- Educational therapies or services for participating students provided by a department-approved therapist
- Transportation to and from a participating school or education provider
- Fees for early postsecondary opportunity courses, related exams, or exams related to college admission
- Computer hardware, technological devices, or other department-approved technology fees *(This is applicable only if the technology is used for educational needs, is purchased at or below fair market value, and is purchased through a participating school, private school, or provider.)*

Application and Acceptance for School Participation

School Application to Participate in the ESA Program

Eligible schools must submit an application for approval to become a participating school in the ESA Program. Completing an interest form and submitting an application does not constitute approval. Once applications have been reviewed, approved schools will receive an official approval letter from the department, and a list of all approved schools will be subsequently posted on the ESA website.

At the time of application, schools must declare **the number of student seats in each grade level that will be available for students** using an ESA for tuition and other expenses. Understanding that schools and eligible students must be a good fit for one another, the approved school is not obligated to fill all seats it declares for annual capacity.

The school application also requires schools to demonstrate financial viability to repay any funds that may be owed to the state. The school may comply with this requirement by filing a surety bond payable to the state from a surety. The department will also accept copies of the most recent tax return or a notarized letter from a CPA. The amount demonstrated on the financial viability paperwork must be equal to half of the number of seats declared multiplied by the approximate base amount of the ESA (\$8,192).

As part of the application process, the school must also submit links or uploads of the school's academic calendar, admission policy, and tuition and fees schedule in order to meet the following requirements as set forth in Tenn. Code Ann. § 49-6-2607(e) and State Board of Education Rule 0520-01-16-.08:

- **School calendar:** Schools must demonstrate an amount of instruction equal to or greater than 180 days at 6.5 hours per day. If a school has fewer than 180 instructional days, the school must also include a daily schedule in order to demonstrate more than 6.5 hours of instruction per day to total 1170 or more hours of instruction during the school year.
- **Admission policy:** School admission policies must clearly state that the school does not discriminate on the basis of race, color, or national origin.
- **Tuition and fees:** Documentation submitted to the department must clearly state the amount of tuition (per grade level, if it varies) as well as any fees. Schools must include an indication if technology, textbooks, and uniforms are included in tuition or separate fees.

Applications for private schools to participate in the ESA Program must be completed and submitted by the principal or head of school. Applications will be accessible through the [ESA website](#).

Application Approval or Denial

The department will review the submitted application and all supporting documentation and notify the designated contact via email if the school is approved to participate in the ESA Program.

If the department approves the school's application to participate in the ESA Program, the department will include the school on the list of approved participating schools for that school year posted online at esa.tnedu.gov.

If the department does not approve the school's application to participate in the ESA Program, the department will email an explanation of why the school was not approved.

Appealing a School Application Denial

If the school's application is denied, the school principal, head of school, or board chair may appeal the decision by following the two-step appeals process in accordance with State Board of Education Rule 0520-01-16-.11.

Step 1:

- The appeal shall be submitted to the Commissioner of Education within 10 business days of receipt of the notice of application denial, suspension, termination, and/or removal. Notice of application denial, suspension, termination, and/or removal shall be provided electronically and via first-class USPS mail and be deemed received three business days after the date of postmark.
- The appeal shall be reviewed by the Commissioner of Education, or the Commissioner's designee, and a decision shall be issued within 45 calendar days. To file a step one appeal, complete the appeal form located on the ESA website, and email the completed form to ESA.Questions@tn.gov.
- Appeal forms submitted after the deadline, incomplete appeal forms, or appeal forms with vague language that does not clearly articulate the issue on appeal will not be reviewed.

Step 2:

- The appellant shall be notified of the Commissioner's or Commissioner's designee's decision in step one (1) of the appeal process electronically and via first-class USPS mail. Such notice shall be deemed received three (3) business days after the date of postmark.
- An appeal of the step one (1) decision shall be filed with the Commissioner by the appellant within thirty (30) calendar days of receipt and shall be heard as a contested case hearing pursuant to the Uniform Administrative Procedures Act (Tenn. Code Ann. Title 4, Chapter 5).

Student Applications and Enrollment

Participating schools must submit an online form within 10 business days of closing the student application window that contains the name and grade of all eligible student applicants accepted to the school and who intend to utilize an ESA. Include the following:

- The name and grade of all eligible student applicants accepted to the school and who intended to utilize an ESA
- The date each eligible student was accepted or rejected by the school
- A list of eligible students who were not accepted with an explanation of why the student application was denied to include the following options:
 - Failure to meet the school’s admission requirements
 - Academic needs that could not be met by the school
 - Other: (state)

Participating School Obligations and Responsibilities

Academic Accountability

Participating schools are held accountable to the ESA account holder (i.e. parent or guardian of participating student or student who has reached the age of 18) for meeting the educational needs of the participating student. This means that, at a minimum, **the participating school must annually provide the account holder a written explanation of the participating student's progress.**

Annual Testing

Participating schools must ensure that participating students in grades 3 through 11 are administered the TCAP tests in math and English language arts each year the student is enrolled in the ESA Program. Each school must designate a testing coordinator, regardless of the grades in which ESA students are enrolled. The school's testing coordinator will be trained by department staff in order to administer the assessments.

The participating school may NOT charge account holders a fee to administer the state assessments. Any assessment fees charged by the participating school for tests other than the required state assessment must be included in the fee schedule submitted with the school's application to participate in the ESA Program and must be itemized on the receipt given to account holders. Account holders may use ESA funds to pay for authorized assessments other than the required state tests.

The participating school must also provide the participating student with an assessment report for those participating students who take an annual assessment, which must include, at a minimum:

- The name of the assessment
- The date the assessment was administered to the student
- The name of the participating student (first, last, middle initial)
- The student's state ID number (issued by the public school in which the participating student resides)
- The participating student's score on the assessment

Participating students who take the TCAP must take the regular TCAP assessment (not the alternative growth measure, portfolio, or Tennessee Universal Reading Screener) and will not be able to receive testing accommodations under the Individuals with Disabilities Education Act (IDEA). However, students will receive Americans with Disabilities Act (ADA) accommodations as applicable.

Additionally, data from the TCAP tests that are annually administered to students must be used to determine student achievement growth, as represented by the Tennessee Value-Added Assessment System

(TVAAS). The department will post TVAAS scores of participating schools publicly on the department's website.

Special Education Services

Participation in the ESA Program has the same effect as parental refusal to consent to the receipt of services under 20 U.S.C. § 1414. Participating schools are not obligated to provide special education services. However, participating schools must comply with applicable ADA laws and regulations.

Non-discrimination Certification

Participating schools must certify that they will not discriminate against participating students or applicants on the basis of race, color, or national origin.

School Employees

Participating schools must administer criminal background checks for all school employees.

Participating schools must maintain documentation that any employees providing services to participating students have undergone a fingerprint-based criminal history records check conducted by the Tennessee Bureau of Investigation (TBI) and forwarded by the TBI to the Federal Bureau of Investigation (FBI) for processing pursuant to the National Child Protection Act. All participating schools must maintain documentation that all employees working on school grounds when students are present and/or providing services to students have undergone a fingerprint-based criminal history records check conducted by the TBI and forwarded to the FBI. Contact the ESA team for questions regarding the fingerprinting process, or see the [ESA website](#) for guidance.

Additionally, participating schools must exclude from employment any person not permitted by state law to work in a nonpublic school and any person who might reasonably pose a threat to the safety of students.

Payment Management and Financial Obligations

For all ESA years:

- The Agreement and any additional information required by the department shall be submitted to and received by the department by the deadlines set by the department before the first ESA payment is disbursed.
- Prior to the first payment of ESA funds, the Account Holder must provide proof of enrollment in a Category I, II, or III private school. No funds shall be disbursed to an ESA account without proof of enrollment in a Category I, II, or III private school.
- The funds in an ESA may be used only for educational purposes. Participating schools must submit one invoice for tuition and detail any additional expenses outside of the participating student's regular tuition and fees.
- Participating schools must provide account holders with a receipt for all qualifying expenses.
- Invoices and receipts must be submitted prior to payment or reimbursement for all ESA funds. See the [ESA website](#) for all forms related to submitting expenses.
- No additional tuition or fees must be charged to participating students that are not also charged to non-participating students.
- Participating schools must not, in any manner, refund, rebate, or share funds from an ESA with a parent of a participating student or a participating student's sibling(s).
- All contracts entered into are the responsibility of the private parties involved.
- Any tuition or fees charged by a participating school or postsecondary institution that exceed the ESA amount shall be the responsibility of the account holder.
- Agree to accept reimbursement payments for tuition and fees on the payment schedule identified by the department.
- Account holders are not required to spend the entire ESA award each year, however, a portion of the funds must be used each year on approved expenses for the benefit of the student.
- If the department determines that ESA funds have been misused, the department shall notify the participating school, and the school shall repay the misused amount in the manner and within the timeframe set by the department. Additionally, the department is authorized to freeze or withdraw ESA funding for reasons including, but not limited to, fraud, and misuse of funds.
- If a participating student becomes ineligible to participate in the Program for any reason or withdraws from the Program, the participating student's ESA shall be closed and any remaining funds shall be returned to the State Treasurer to be placed in the BEP account of the Education Trust Fund of 1992 under Tenn. Code Ann. §§ 49-3-357 and 49-3-358.

For the 2022-23 school year only:

- Participating schools must invoice the department for reimbursement of ESA funds by participating ESA students. Schools should be prepared to submit receipts alongside invoices in order for funds to be reimbursed.

For the 2023-24 school year and all years following:

- Participating schools must register with the department's payment management vendor.
- Payments toward tuition from the ESA will be paid at the beginning of the semester: August 15 and January 15.
- Participating schools must submit invoices for payment to the account holder on August 1 and upon return from winter break. ESA accounts will fund for payments toward tuition on August 15 and January 15.
- The payment management vendor may withhold a two percent processing fee from the participating school's tuition payment to process the electronic payment.

Notice of Student Withdrawal

Participating schools must notify the department of any participating student who withdraws from the school. The withdrawal procedure must be completed within five business days of notification of intent to withdraw from the student. Information for withdrawal including applicable forms are located on the [ESA website](#).

If a participating student withdraws from a participating school and transfers to a non-approved non-public school or returns to public school, the **participating school must refund to the department the tuition and fees on a prorated basis based on the number of days the participating student was enrolled in the participating school.**

Annual Reviews

The department will conduct an annual review of each participating school for fiscal and program compliance. Part of this review may include requesting supporting documentation or additional information regarding an account holder or related reimbursement.

Annual Graduation and Completion Rates

Participating schools must annually submit graduation and completion information of 12th grade participating students to the department using the Participating School 12th [Grade Students' Graduation & Completion Form](#). The department will email participating schools a copy of this form. The department must receive the completed form no later than the date set forth by the department. The participating school principal must complete the form.

On the form, participating schools must report all of their 12th grade students who participate in the ESA Program as one of the following: *graduated*; *completed*; *withdrew from the school*; *repeating 12th grade*; or *other* with an explanation.

- **Participating schools will define graduation as a student who has either received a regular diploma or a special education diploma.**
- **Participating schools will define completion as a student who has taken and passed the HiSET or the GED.**

Please note: *If a secondary school does not have any participating students who are enrolled in the ESA Program and who are graduating/completing high school, the participating school principal still complete the linked form by the deadline to report to the department that the participating school does not have any participating students who are graduating/completing.*

Program Renewal

Participating schools must annually reapply to the department if they intend to continue participating in the program. The application for returning schools will declare the number of seats available by grade level for students using an ESA.

Program Suspension

The department may suspend or terminate a participating school from participating in the ESA program in future years if the department determines that the participating school has failed to comply with state law, rules, or department procedures for the ESA Program or for nonpublic schools, including the requirements set forth in this handbook. This includes, but is not limited to, failure of participating students to make academic progress as demonstrated by performance measures from multiple data sets including but not limited to the TCAP tests or a nationally-normed assessment utilized by the school.

If the noncompliance is correctable within a reasonable amount of time and if the health, safety, or welfare of the participating students is not threatened, the department may issue a notice of noncompliance which provides the participating school a timeframe to provide evidence of compliance before the department takes action to suspend or revoke the participating school's participation in the ESA Program.

If the department issues a notice of noncompliance:

- Participating school principals will be given a reasonable period from the date of the notice, as determined by the department, to demonstrate compliance.
- The notice will state the reason(s) for the noncompliance, provide instructions on how to demonstrate compliance, and give a deadline for demonstrating compliance to the department.
- If the department issues a notice of proposed action suspending or revoking a participating school's participation, the notice will state the reason(s) for the action and specify the participating school's right to appeal.

The department may immediately suspend a school's participation in the ESA Program if it is determined that there is probable cause to believe there is a threat to the safety of students and/or fraudulent activity on the part of the participating school

If the department suspends or terminates a participating school's participation, the department will notify affected account holders of the decision. If a participating school is suspended or if a participating school withdraws from the ESA Program, affected participating students remain eligible to participate in the ESA Program.

Appealing a School Suspension or Denial

Schools may appeal the department's decision to suspend or terminate a school's participation in the ESA Program by following the two-step appeals process as required in the rules in SBE Chapter 0520-01-16-.11.

Step 1:

- The appeal shall be submitted to the Commissioner of Education within 10 business days of receipt of the notice of revoked eligibility or frozen/withdrawn ESA funds. Notice of suspension, termination, and/or removal shall be provided electronically and via first-class USPS mail and be deemed received three business days after the date of postmark.
- The appeal shall be reviewed by the Commissioner of Education, or the Commissioner's designee, and a decision shall be issued within 45 calendar days. To file a step one appeal, complete the appeal form located on the ESA website, and email the completed form to ESA.Questions@tn.gov.
- Appeal forms submitted after the deadline, incomplete appeal forms, or appeal forms with vague language that does not clearly articulate the issue on appeal will not be reviewed.

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- The appellant shall be notified of the Commissioner's or Commissioner's designee's decision in step one (1) of the appeal process electronically and via first-class USPS mail. Such notice shall be deemed received three (3) business days after the date of postmark.
- An appeal of the step one (1) decision shall be filed with the Commissioner by the appellant within thirty (30) calendar days of receipt and shall be heard as a contested case hearing pursuant to the Uniform Administrative Procedures Act (Tenn. Code Ann. Title 4, Chapter 5).

Additional Questions

How many ESAs are available?

For the first year, 5,000 ESAs are available.

Can a family use an ESA to attend a private school outside of their county of residence?

Yes. A participating student must be zoned to attend a school in Memphis-Shelby County Schools, Metro Nashville Public Schools, or the Achievement School District, but the ESA can be used to attend any participating private school. Students must maintain their residency in order to remain eligible for the ESA.

Does the school's admission criteria remain uncompromised if the school participates in the ESA Program?

Yes. An eligible student must be accepted by the school based on the school's entrance criteria. Participating schools agree not to discriminate based on race, color, or national origin.

Is a participating school obligated to accept a participating student for a second year if he or she is not thriving in the school environment?

No. The application, enrollment procedures, and process of the participating school are determined by the school itself. Participating schools should follow their regular re-enrollment criteria for ESA students just as they do for non-ESA students.

Is it possible a participating student may not qualify for an ESA in consecutive years?

Yes. A participating student must indicate a desire to continue in the program every year and re-submit current proof of income and residency requirements.

How frequently must the school complete fingerprinting of employees?

Every school employee should have a fingerprint-based background check on file that is not older than 5 years.

Can the participating school require the account holder to purchase tuition insurance?

Only if the participating school's current policies and protocols require it of other non-ESA families as well.

Can a participating student return to a public school?

Yes. A participating student may return to their assigned public school at any time.

